

March 29, 2013

Dear Dranesville Resident,

It is budget season in Fairfax County. On February 26, County Executive Ed Long submitted his FY 2014 Advertised Budget proposal to the Fairfax County Board of Supervisors.

Below you will find a document with a summary description of his proposed FY 2014 Advertised Budget Plan, along with a calendar of budget-related events. For details about the FY 2014 Advertised Budget, visit the County website at <http://www.fairfaxcounty.gov/dmb/>.

The Board of Supervisors is currently conducting an extensive review of the proposed budget plan leading up to the Budget Adoption on April 30. This is the fifth year I have convened the Dranesville Citizen Budget Task Force, headed this year by Dranesville resident John Ulfelder. This group has been meeting regularly since October 2012. It is currently examining the proposed budget in great detail and preparing recommendations. I will submit the Task Force's report to the Board and to the public when it is completed.

The opinions of County residents and interested organizations are very important to insure that the Board arrives at a budget that accurately reflects the community's priorities. As in prior years, I have scheduled Dranesville area town hall meetings on the budget. The McLean area meeting took place on March 12. The Great Falls meeting will be held on April 2 at 7 p.m. at the Great Falls Library and the Herndon area meeting will be held on April 3 at 7 p.m. at the Herndon Town Council Chambers. These are excellent opportunities to learn about budget specifics and to ask questions of knowledgeable staff.

You may submit comments on the budget through the Budget website at <http://www.fairfaxcounty.gov/dmb/fy14-advertised-input.htm>. In addition, residents are welcome to attend or speak at my town hall meetings and at the three budget hearings to be held before the Board of Supervisors on April 9, 10 and 11. Details on the hearings can be found in the attachment.

I look forward to hearing your thoughts on the proposed budget plan.

Sincerely,

John W. Foust

**Dranesville District Supervisor**

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To receive a copy of the Dranesville Newsletter  
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## **Supervisor Foust on the Recommended FY 2014 Budget**

For the sixth consecutive year Fairfax County faces a great challenge: to adopt a budget in a slowly recovering economy that supports essential County services, while minimizing the tax burden on our residents. This must be done in a way that maintains the County's financial soundness and ability to respond to future unknown challenges.

At the heart of these County services are meeting the needs of our public schools, providing for the safety and security of our community, maintaining the support system for those most in need, protecting our environment, and funding important services such as libraries and parks.

The proposed budget continues the County's long-standing commitment to our public schools. The expenditure for Fairfax County Public Schools is 52% of the budget. Our schools are among the best in the nation and the single biggest attraction for businesses considering locating in our County. Maintaining their quality is critical. The next largest disbursement category is Public Safety which takes another 12.3% of the general fund. Health & Welfare and Parks & Libraries take 11% and 1.4% respectively.

Once again, the County has examined its operations for additional efficiencies. Each year this exercise becomes harder. Between FY 2009 and FY 2013, County agency budgets have been cut by more than \$150 million and more than 500 positions have been eliminated. The FY 2014 advertised budget contains no salary increases for County employees, recommends additional cuts to agency budgets and eliminates another 91 positions.

Real Estate Taxes are the primary source of the County's revenue at 62.4% of general fund receipts; 80% of those revenues come from residential properties. This year, there has been some modest growth in residential property values. Unlike last year when growth was at 8%, growth in the commercial sector was essentially flat this year. This is due in part to concern about how the Federal Government Sequestration will affect businesses.

Potential revenue from increases in residential property assessments will not support proposed spending needs. To make up for the shortfall, the proposed budget includes an increase in the Real Estate Tax rate by two cents to generate \$41.3 million in revenue. If the Board approves the proposed rate increases, those funds would primarily go to fund the increased financial needs of the schools.

Some good recent news is the increased funding for transportation projects and road maintenance that will come to Northern Virginia and Fairfax County as a result of the state's new transportation funding plan (HB2313). In addition to its share of the \$880 million annual statewide funds, Fairfax County will receive about \$159 million per year from the regional funds raised exclusively for Northern Virginia.

This is where I turn to Dranesville residents for help. Your input is essential to this process. Please let me know how you feel about the proposed budget. Where do your priorities lie? Tell

the County how you feel by submitting your comments on the budget through the County's Budget website at <http://www.fairfaxcounty.gov/dmb/fy14-advertised-input.htm>. You are also welcome to attend one of my Budget Town Hall meetings (described below) or speak at any of the three County budget hearings to be held before the Board of Supervisors on April 9, 10 and 11.

## **Overview of the Recommended FY 2014 Budget and FY 2015 Plan**

County Executive Ed Long presented the FY 2014 Advertised Budget Plan to the Fairfax County Board of Supervisors on February 26.

Included in the presentation was a multi-year budget plan. The multi-year approach frames the important financial and programmatic choices facing the County. Through the context of the multi-year budget, the tax rate and funding decisions will be considered that will carry through FY 2015.

The proposed total budget amount for all funds is \$7.017 billion with a General Fund budget of \$3.59 billion. The proposed FY 2014 Budget estimates a small available balance of \$2.41 million.

### **FY 2014 Revenue and 2013 Assessments**

FY 2014 General Fund revenues are projected to be \$3.570 billion, which is an increase of 2.77% (\$96.4 million) from the FY 2013 Adopted Budget. An increase of \$5 million in non-General Fund agency reimbursements brings the total revenue increase to \$101.3 million.

The General Fund revenue increase is primarily the result of moderate increases in real estate assessments, minimal growth in other County revenue categories, and a decrease of \$13.3 million associated with the reduction of both revenue and expenditures due to state assumption of the state funded portion of the Child Care Assistance and Referral program (CCAR).

62.4% of General Fund receipts are derived from real estate taxes and, of that percentage, residential tax receipts account for 80%. County-wide assessments in 2013 for residential properties increased 3.5% compared to 0.71% in 2012; non-residential properties increased only 0.14%, compared to 8.21% in 2012.

### **Real Estate Tax Revenues**

The proposed budget recommends a two cent increase in the Real Estate Tax rate from \$1.075 per \$100 of assessed value to \$1.095. At this rate, FY 2014 Real Estate taxes per "typical" household would increase \$262.45 annually. The amount of revenue generated by each penny on the tax rate is \$20.65 million.

Since FY 2008, the taxes paid per household have increased only 5.6% or an average of 0.9 percent annually. The proposed rate of \$1.095 constitutes a 1.86% increase.

On March 5 the Board of Supervisors voted to advertise a rate of \$1.095. The County Board can adopt a rate lower than the advertised rate but not higher.

### **FY 2014 Disbursements**

General fund disbursements total \$3.589 billion, an increase of 1.45% (\$51.2 million) over the FY 2013 Adopted Budget plan. This number is comprised of \$41.3 million for Fairfax County Public Schools and \$9.9 million for non-school expenditures.

#### **Transfer to Fairfax County Public Schools**

The proposed budget provides 52.6% (or \$1.89 billion) of the General Fund to Fairfax County Public Schools for operations and debt service, the same percentage of the General Fund as that transferred in FY 2013. The operating fund amount to be transferred is \$1.72 billion, a 2% (\$33.7 million) increase over the FY2013 funding level. The debt service amount is \$172.4 million, an increase of \$7.6 million from the FY 2013 amount.

The recommended FCPS transfer amount is less than that requested by FCPS. On February 7, the School Board adopted the FY 2014 FCPS Advertised \$2.5 billion budget with a request for an Operating Fund transfer of \$1.78 billion, which is 5.7% (\$95.4 million) more than the amount received in FY 2013 and \$61.7 more than the County Executive proposed for FY 2014. To fully fund the School Board's request would have required an additional three cent Real Estate Tax increase.

On March 12, the Board of Supervisors' Budget Committee received an update from Superintendent Dale on the school budget; because of updated revenue assumptions, the difference between what FCPS requested and the proposed County transfer is now \$45 million, not \$61.7 million.

In addition to the Operating Fund transfer amount and the Debt Service, the County directly provides additional support for schools in the amount of \$67.9 million for programs such as Head Start, school health, school resource officers, school crossing guards, after-school programming (SACC), field maintenance and recreational programs.

#### **Non-School Disbursements**

Net increases for all non-school disbursements total \$9.9 million. Total County increases have been offset largely by savings of \$20.5 million from agency budget cuts and reorganizations, and \$13.3 million from the State's assuming payment of the CCAR program.

Increases occurred in the cost of County operations (\$28.64 million), Human Services (\$10.67 million), Public Safety (\$3.99 million) and Capital Construction and Debt (\$0.44 million) as follows:

**County Operations: \$28.64 million**

- For increased health insurance premiums and other benefits, full year impact of pay increases to county employees and retirement programs.

**Human Services Increases: \$ 10.67 million**

- Includes increased funding of the Fairfax-Falls Church Community Services Board requirements (\$7.62 million) including support for the Infant-Toddler Program (\$1 million) and support for this year's special education graduates from FCPS (\$1.1 million).
- Includes increased Child Care Assistance and Referral (CCAR) rate increases (\$2.5 million).

**Public Safety Increases: \$3.99 million**

- Includes funding nine new police officers to support redevelopment of the Tysons Urban Center and two new positions at the animal shelter.

**Capital Construction and Debt Increases: \$.44 million**

- Capital Construction (DECREASE of \$1.5 million)
- County debt service (Increase of \$1.94 million)

**State assumption of CCAR payment processing (DECREASE of \$13.32 million)**

**Agency Reductions: (DECREASE OF \$20.52 million)**

- Includes elimination of 91 positions, 78 of which are presently vacant.
- The County Executive's budget contains no pay increase for County employees in FY 2014, with a proposal for a market rate adjustment to be provided in FY 2015.

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For details about the FY 2014 Budget visit the County website at <http://www.fairfaxcounty.gov/dmb> or contact Jane Edmondson in Supervisor Foust's Dranesville District office at (703) 356-0551, TTY 711 or by email at [Jane.Edmondson@FairfaxCounty.gov](mailto:Jane.Edmondson@FairfaxCounty.gov).

**FY 2014 Budget Proposal at a Glance**

\$ 101.3 M	Revenue Increase
(\$ 49.4 M)	Structural Imbalance
(\$ 41.3 M)	80% of net available to schools (33.7 + 7.6)
(\$ 8.2 M)	Net change for all other County requirements
<b>\$ 2.4 M</b>	<b>Budget Balance</b>

**Summary of Increase in Disbursements from FY 2013:**

\$ 41.30 M	Fairfax County Public Schools
\$ 28.64 M	County Operations
\$ 10.67 M	Human Services
\$ 3.99 M	Public Safety
\$ .44 M	Capital Construction and Debt
<b>\$ 85.04 M</b>	<b>Gross Increases in FY 2014 Spending</b>

**Offset to Disbursements:**

(\$ 20.50 M)	Agency Savings
(\$ 13.32 M)	State Adjustments to CCAR
<b><u>(\$33.82)</u></b>	<b>Total Offsets</b>
<b>\$ 51.22 M</b>	<b>Net Increase in FY 2014 Spending</b>
<b><u>\$41.30 M</u></b>	<b>Less FCPS</b>
<b>\$ 9.9 M</b>	<b>Non-School Disbursements</b>

**Summary of revenue and transfer increases:**

\$ 68.4 M	Increases in real estate assessments and other County revenue categories
\$ 41.3 M	2 cent increase in Real Estate Tax
<b><u>\$ 5.0 M</u></b>	<b>Reimbursements from Non-General Fund Agencies</b>
<b>\$114.7 M</b>	<b>Total Increased Revenue</b>
<b><u>Offsets to Revenue:</u></b>	
<b><u>(\$ 13.3 M)</u></b>	<b>CCAR Program</b>
<b>\$101.3 M</b>	<b>Revenue and Transfer Increase</b>

## **CALENDAR OF EVENTS FOR FY 2014 BUDGET**

### **February 7**

FCPS Board adopts FY 2014 Advertised FCPS Budget

### **February 26**

County Executive, Ed Long, presents proposed FY 2014 Budget to the Board of Supervisors

### **Dranesville Budget Town Hall Meetings:**

*Dranesville Supervisor John Foust has scheduled three town hall meetings to give Dranesville residents an opportunity to learn about and discuss the proposed Fiscal Year 2014 (FY 2014) Budget for Fairfax County. County Management and Budget staff will be present to make a summary presentation of the budget and answer question. On March 12, the McLean area Town Hall meeting was held at the McLean Community Center. Future meetings are:*

- **April 2 at 7:00 p.m.** Great Falls Library, 9830 Georgetown Pike
- **April 3 at 7:00 p.m.** Herndon Town Council Chambers, 765 Lynn Street

### **County-wide Budget Public Hearings**

- **April 9 at 6:00 p.m.**
- **April 10 at 3:00 p.m.**
- **April 11 at 3:00 p.m.**

*Public Hearings on FY 2014 Budget, Board Room Fairfax County Government Center, 12000 Government Center Pkwy, Fairfax, VA 22035.*

*Those wishing to speak at any of the public hearings should contact the Office of the Clerk to the Board at (703) 324-3151 or (703) 324-2391 (TTY 711, to place their name on the speakers list, or sign up online at [https://www.fairfaxcounty.gov/bosclerk/speaker\\_bos.htm](https://www.fairfaxcounty.gov/bosclerk/speaker_bos.htm). The public can send written testimony or communicate generally with the Clerk to the Board's office by email at: [clerktothebos@fairfaxcounty.gov](mailto:clerktothebos@fairfaxcounty.gov).*

### **April 30**

Fairfax County Board of Supervisors adopts FY 2014 Budget

### **May 14 and 15**

FCPS Board holds public hearings, if needed

### **May 23**

FCPS Board adopts FY 2014 Approved FCPS Budget

### **July 1, 2013**

FY 2014 Budgets becomes effective